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UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON  
MEDFORD DIVISION

**FEDERAL TRADE COMMISSION,**  
Plaintiff,  
v.  
**ADEPT MANAGEMENT, INC., et al.,**  
Defendants.

Case No: 1:16-cv-00720-CL

**PLAINTIFF FEDERAL TRADE  
COMMISSION'S AMENDED WITNESS  
STATEMENT OF LORI HOYAL**

Pursuant to the Court's Order Establishing Court Trial Dates and Procedures (Dkt 235), the Federal Trade Commission (the "Commission" or "FTC") submits the following Amended Witness Statement of Lori Hoyal.

**Summary of Testimony:**

Lori Hoyal will testify as to her role as 50 percent owner and Secretary of Hoyal & Associates, Inc. (“H&A”), one of the Corporate Defendants that orchestrated and directed the deceptive newspaper subscription operation. She will testify that she opened bank accounts and that, as the signatory on H&A accounts, she transferred millions of dollars of consumer money from H&A to related entities and other Defendants, including Reality Kats LLC (“Reality Kats”) and Dennis Simpson. She will testify that she invoiced Maximillian, Inc. (“Maximillian”), through Noel Parducci, on behalf of H&A for Jeffrey Hoyal’s responsibilities and participation in the deceptive newspaper subscription operation. These transfers correlated with fund transfers that Maximillian initiated from the subscription operation. Ms. Hoyal will testify that she received regular updates from Ms. Parducci regarding the status of payments from Maximillian to H&A and Reality Kats. She will testify that she transferred millions of dollars from H&A to Breeze Enterprises, LLC (“Breeze”), an entity the Hoyals control, then transferred millions from Breeze to Crater Lake Trust, which she and Jeffrey Hoyal control. Lori Hoyal transferred money from Crater Lake Trust to Reality Kats and Novato Development, LLC, which was owned by Crater Lake Trust, Reality Kats, and Simpson. She also transferred money from Crater Lake Trust to The Tulving Company, a precious metals dealer.

Ms. Hoyal will testify that she previously owned, served as President, and operated Mail Industries, Inc., a predecessor subscription entity that, along with other entities operated by Mr. Simpson and Mr. Hoyal, was involved in prior litigation involving similar deceptive mailers. She will testify that she trained Ms. Parducci on how to track financial operations for the subscription enterprise and provided template reports for her to use.

**Estimated Length of Direct Testimony:** 2 hours.

Dated: November 2, 2018

s/Krista K. Bush

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### CERTIFICATE OF SERVICE

I hereby certify that I am employed by the Federal Trade Commission, 915 Second Avenue, Suite 2896, Seattle, WA 98174, and that pursuant to Rule 5(b), Fed. R. Civ. P., a copy of the PLAINTIFF FTC'S AMENDED WITNESS STATEMENT OF LORI HOYAL was served as follows:

By ECF and email on each of the following:

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